



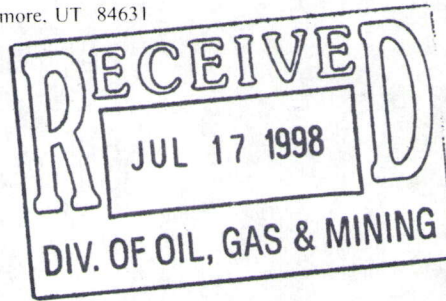
# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
HOUSE RANGE/WARM SPRINGS RESOURCE AREA  
35 East 500 North  
Fillmore, UT 84631



IN REPLY REFER TO:  
3800  
(U-054)  
UTU-072860

Certified Mail # Z 381 113 796  
Return Receipt Requested



July 15, 1998

## DECISION

Neal Jensen  
Managing Partner  
B.E.G. Resources L.L.C.  
PO Box 361  
Nephi Utah 84648

: 43 CFR 3809  
: Establishment of a Record  
: Of Noncompliance

Dear Mr. Jensen:

As was discussed with you during the meeting (Staff Report enclosed) between you, Tom Munson of UDOGM, and Sheri Wysong, Ron Teseneer and Larry Garahana of this office, we are writing to inform you of your right to appeal the establishment of a Record of Noncompliance (RON). You established the RON for failure to comply with the March 20, 1998 Notice of Noncompliance (NON), which required you to submit a Plan of Operations and a bond within 15 days of receipt of the NON. You received the NON on March 21, 1998, which made the deadline date April 6, 1998. You did not submit the bond until April 20, 1998, and did not submit a reasonably complete plan until May 5, 1998. You established the RON as of April 6, 1998.

In accordance with 43 CFR §3809.4, you have the right of appeal to the Utah State Director. Direct correspondence to:

Utah State Director  
Bureau of Land Management  
P.O. Box 45155  
Salt Lake City 84145-0155.

If you exercise this right, your appeal must be accompanied by:

1. Your name and address,
2. The name and serial numbers of any involved mining claims, and
3. A statement of reasons for the appeal and any arguments you wish to present, which would justify reversal or modification to this decision.

Your appeal must be filed in writing at this office within thirty (30) days after you receive this decision. This decision will remain in effect during the appeal unless a written request for a stay is granted.

Paragraph 4 of the NON stated the following:

"Should you fail to comply with the requirements that have been detailed above within the required time frame, you will be considered to have established a Record of Noncompliance. If a record of noncompliance is established, section 3809.1-9 of the regulations requires that a plan of operations must be submitted within 30 days under for all existing and subsequent operations that would otherwise be conducted pursuant to a notice (3809.1-3). In addition, you will have 90 days to post with the Utah State Office a financial guarantee for all existing disturbances for which they are responsible. Failure to timely submit the financial guarantee (bond) will result in withdrawal of approval for all existing mining activity. Continuation of mining activity, without submission of the required financial guarantee may result in fines, or imprisonment or both. Actions to correct the items identified in the notice of noncompliance must be approved by the Resource Area or District Office prior to filing a financial guarantee. Financial guarantees held by the State will not be acceptable for operators or mining claimants that have established a record of noncompliance. The reclamation bond amount calculated for a noncompliance situation must also be certified at the operator's or mining claimant's expense by a third party professional engineer registered to practice within the State of Utah."

Due to a recent court case, the consequences of establishing a Record of Noncompliance have changed back to the following:

For the duration of the record of noncompliance, all mining activity in excess of casual use on BLM-administered lands will require the submission of a plan of operations and a mandatory bond at 100 percent of BLM's estimated cost of reclamation, including appropriate administrative costs. This bond will be in addition to any bonds held by the State.

The duration of your RON began on May 5, 1998, which is the date we received a reasonably complete Plan of Operations. The length of the duration has yet to be established by the Utah State Office of the BLM. I have recommended a duration of one year, which is the minimum.

Also discussed during the above mentioned meeting was the reclamation requirements of the haul road for your operation. You indicated that UP&L used parts of the road for access to their power lines. Further research into this issue brought to light the fact that the utility overlooked the need to obtain a right-of-way for the power line that runs through the northeast portion of your operation. They intend to rectify this problem soon, and apply for said right-of-way (ROW). If they include parts of your haul road as part of the access to the ROW, you would not be responsible for reclamation of those parts. We suggest you consult with Lee Nelson at 47 S. Main, Richfield, UT (435)896-2238, to determine if UP&L would be interested in obtaining a ROW over all or part of your haul road.

An on-site inspection of your operation took place on July 10, 1998. During that inspection, two observations were noted. The first is



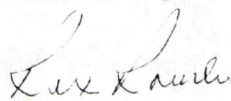
that one portion of your haul road has been incorrectly mapped. The 1967 Champlin Peak 7.5' map illustrates the road as it had existed since at least 1958, which is the earliest reference we can find for it. The map also did not designate a quarry at the site of your present operation, although several other existing quarries are denoted on the map. This indicates that the quarry had not been opened as of 1967. However, by the time a 1976 aerial photo was taken, the road had been rerouted, and the quarry can be plainly seen. A photocopy of the 1976 photo has been enclosed.

The other observation noted during the inspection was that part of another existing two-track road that connects to your haul road was obliterated during fire rehabilitation operations. This may also affect which portions of your road we would consider to have post-mine use.

As indicated in the enclosed staff report, once consultation has been conducted with all the concerned parties, the Plan of Operations and the Environmental Assessment should be amended to, among other issues, correct the position and length of the haul road, and to consider the post mine use of it. Since there is currently only an interim bond in place, and the final bond amount cannot be calculated until the amendment has been approved, it needs to be completed right away. Also, if you could have the crusher removed and the operations area partly reclaimed by the time the amendment is submitted, it would be to your benefit. Please contact us right away, and inform us of when you think you can have these actions completed. We will consult with UDOGM, and if both agencies agree that it is a reasonable time-frame, we will expect the amendment on that date.

If you have any questions, please contact Sheri Wysong at (435) 743-3124, or Ron Teseneer at (435) 743-3126.

Sincerely,



Rex Rowley  
Area Manager

Enclosures  
Staff Report  
Aerial Photo

cc: Terry Steele, 296 N Center, Santaquin UT 84655  
Robert Steele, 1055 N 400 E Nephi, UT 84648  
Wayne Hedberg, UDOGM (M/023/042)